

# MAGGIE MB BEER HOLDINGS

Maggie Beer Holdings  
Limited

Annual General Meeting  
9 November 2021

ASX: MBH

[maggiebeerholdings.com.au](http://maggiebeerholdings.com.au)





# CEO's Presentation





# FY21 created a clear path to sustained revenue and earnings growth





# FY21 Summary

## FY21 created a clear path of sustained earnings and revenue growth

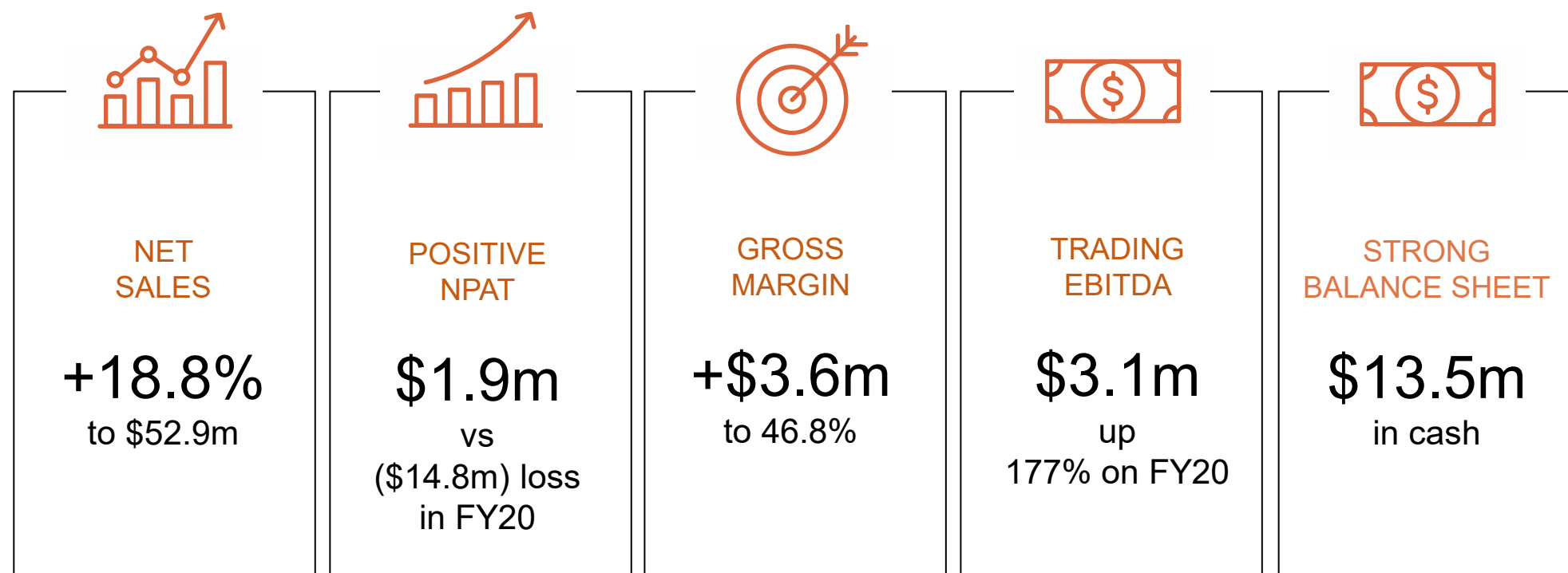
- Strong FY21 group results with net sales increasing by 18.8% on FY20 and trading EBITDA increasing by 177% year on year
- Hampers & Gifts Australia (HGA) was acquired on 21 May 2021. HGA has been successfully integrated, is still growing strongly and is already using Maggie Beer Products across its hamper range
- Pro-forma\* FY21 combined results of MBH and HGA - \$86.7m net sales and \$12m trading EBITDA
- All businesses in the group recorded revenue growth in FY21. MBP was the strongest driver of growth while St David Dairy continued to perform solidly and the turnaround at Paris Creek Farms is gaining traction
- We expect to deliver group revenue of \$100m in FY22, with a trading EBITDA of between \$13.5-15.5m, subject to any unforeseeable changes in the economic outlook created by COVID-19
- We will continue to review our asset portfolio to maximise shareholder value

\* Pro-forma results include unaudited HGA results prior to the acquisition on 21/05/2021



# Key FY21 financial takeaways

Strong financial performance across all key metrics





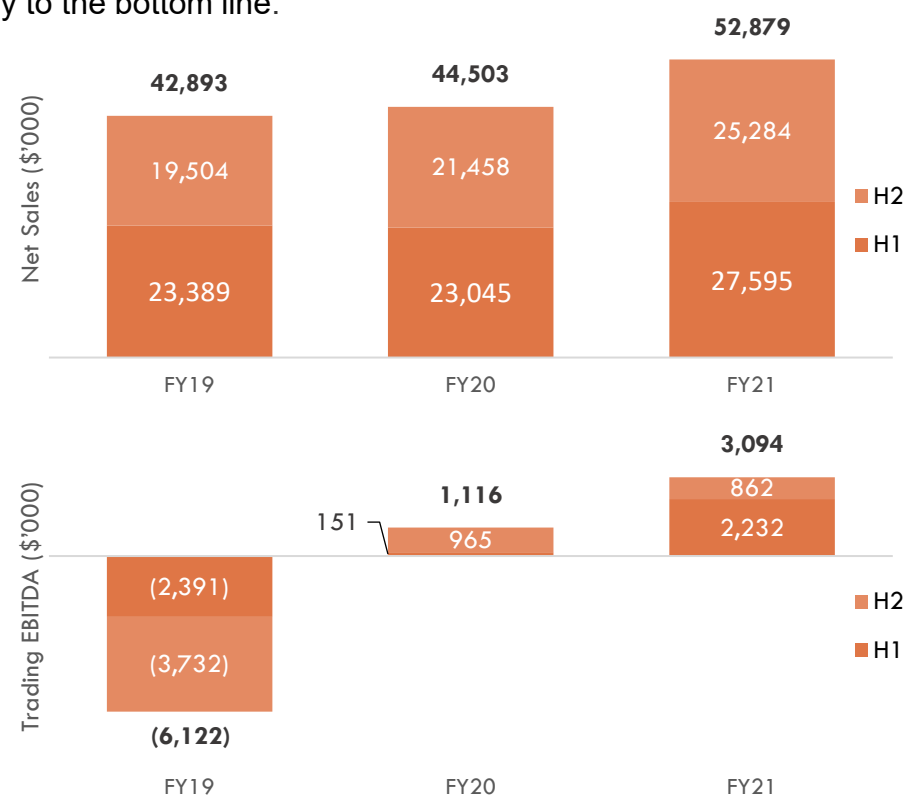
# Group results FY21 vs FY20

- Strong FY21 profit growth across the group
- FY21 net sales up 18.8% on FY20
- Net profit after tax of \$1.9m (FY20: loss of \$14.8m), reflecting the underlying strength of our premium brands, diversified business model, tight cost control and focus on continuous improvement and innovation
- Gross Profit % decreased by 0.7 pts mainly due to the increase in the sales of lower margin 3<sup>rd</sup> party products for MBP. These sales attract a lower overhead allocation, so still contribute strongly to the bottom line.

(\$'000)	FY21	FY20 <sup>2</sup>	%Change YoY
Net Sales	52,879	44,503	18.8%
Gross Profit	24,752	21,157	17.0%
Gross Profit %	46.8%	47.5%	-0.7pts
Trading EBITDA	3,094	1,116	177.2%
EBITDA (Statutory) <sup>1</sup>	1,266	758	67.0%
NPAT	1,861	(14,754)	112.6%

<sup>1</sup> Includes one-off costs and other income. FY21: Includes cashflow boost received (-\$200k), options issued (\$1,635k), settlement claim received (-\$692k), redundancies (\$114k), litigation costs (\$97k), other (\$31k) and acquisition costs (\$843k).

<sup>2</sup> FY20 trading and statutory EBITDA adjusted for AASB16





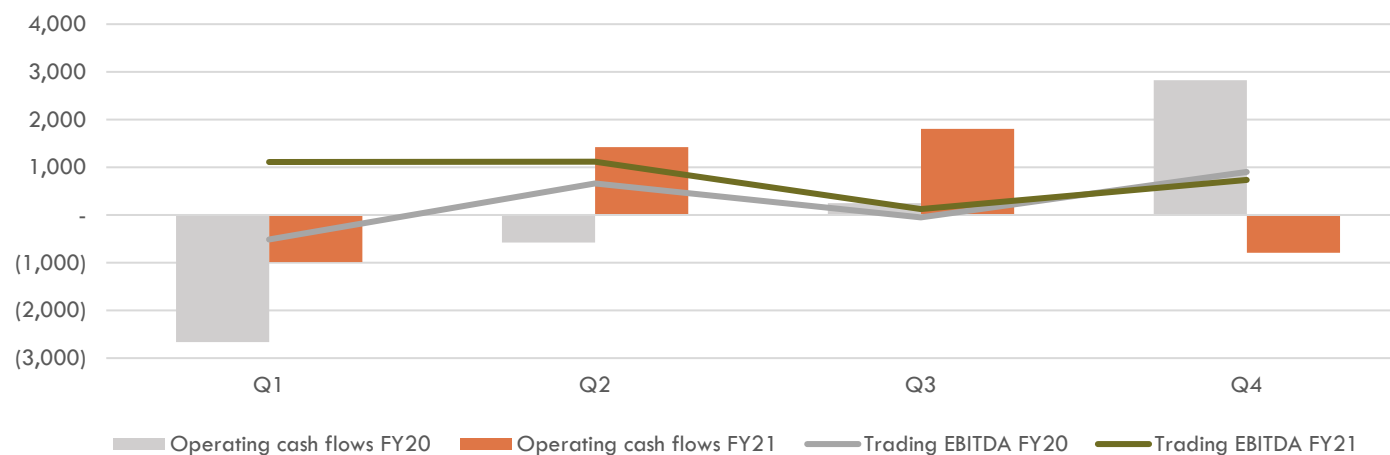
# Strong balance sheet with improving cashflow

(\$'000)	FY21	FY20
Receipts from customers (inclusive of GST)	54,106	43,945
Payments to suppliers and employees (inclusive of GST)	(53,530)	(45,158)
Other income received	891	1,054
<b>Net cash used in operating activities</b>	<b>1,467</b>	<b>(159)</b>
<b>Net cash used in investing activities</b>	<b>(20,914)</b>	<b>(1,404)</b>
<b>Net cash from/(used in) financing activities</b>	<b>25,744</b>	<b>(1,011)</b>
<b>NET CASH FLOW</b>	<b>6,297</b>	<b>(2,574)</b>

Positive cashflow of \$1.5m generated in FY21

- Reduced fixed cost base
- Turnaround in PCF revenue & profitability
- Collections from MBP's strong seasonal sales
- Improving GM% with further efficiencies
- Reduced due to HGA acquisition and working capital costs without corresponding sales

Quarterly EBITDA & operating cash flows (incl. AASB16)



Q4 FY21 operating cashflow lower due to HGA acquisition costs, working capital for HGA Christmas inventory, full year insurance prepayment (prior year monthly).



# Key focus areas for growth in FY22



Expand core ranging in Australia and export markets

Further penetrate new & existing markets, e-commerce, direct to consumer & retail channels

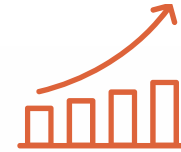


Innovative New Product Development across the four core brands linked to consumer trends and insights

Investing in our power brands and core categories to drive growth



Implement strategic marketing plans to capitalise on core brand strengths and increase brand awareness & growth in new and existing markets



Continue to refine our manufacturing, distribution & operations to create further efficiencies and improve gross margins





# FY22 off to a very strong start





# Q1 FY22 Summary

## FY22 off to a very strong start with growth to accelerate further

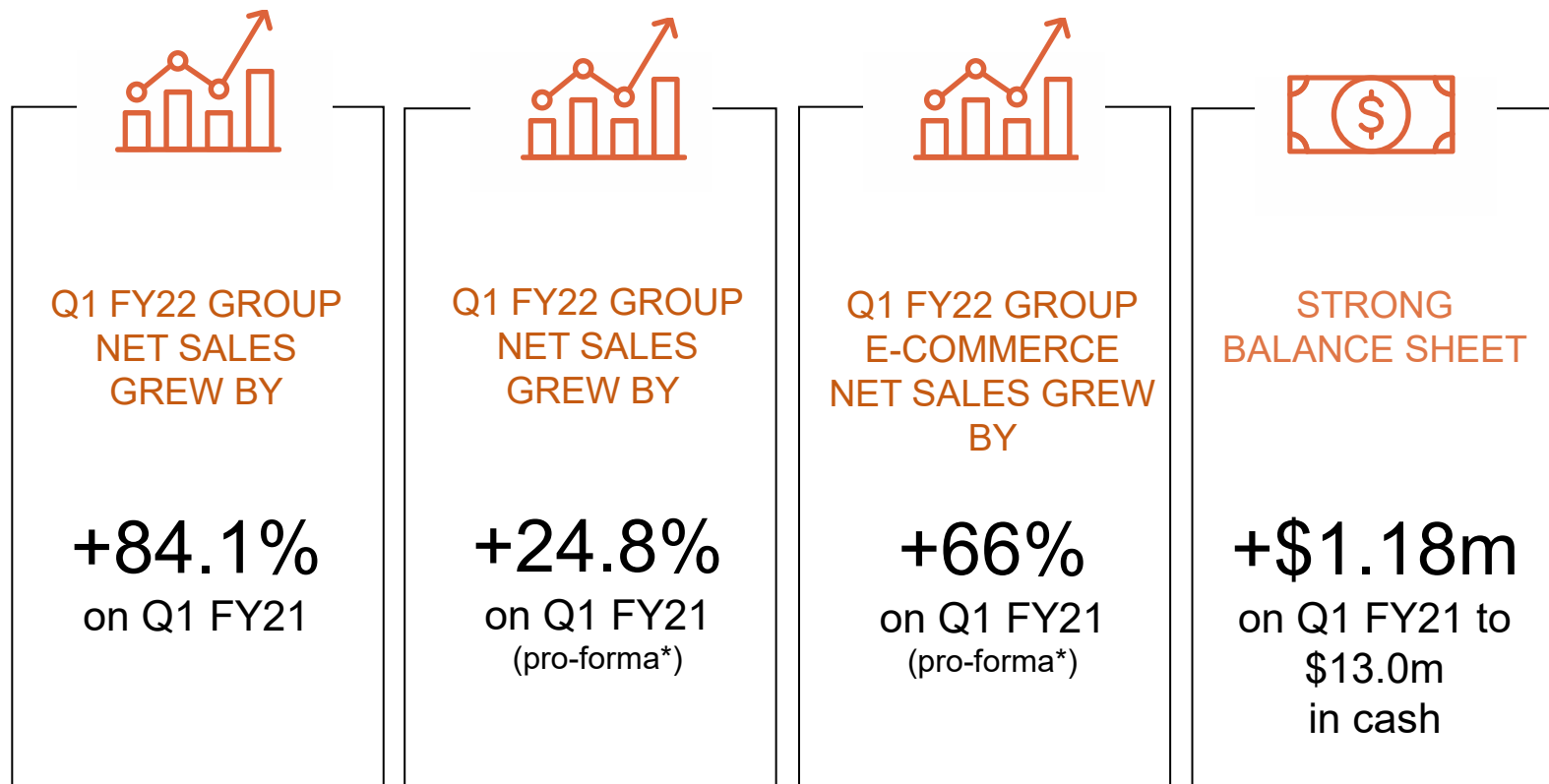
- Group achieves 84.1% net sales growth in Q1 FY22 over Q1 FY21 (24.8% on a pro-forma basis\*)
- The integration of Hampers & Gifts Australia (HGA) is already delivering strong growth with the Group's e-commerce net sales increasing by 66% in Q1 FY22 compared to Q1 FY21\*
- Maggie Beer Products (MBP) e-commerce net sales increased by 154% in Q1 FY22 vs Q1 FY21 and HGA's e-commerce net sales increased by 63% in Q1 FY22 vs Q1 FY21\*
- HGA has launched its new every-day and Christmas hamper range, incorporating MBP products
- The Group has sufficient stock in place for its e-commerce and retail grocery businesses to fulfill the expected uplift in consumer demand over the busy Christmas trading period
- The Group has in place multiple delivery options to ensure timely delivery to its e-commerce customers over Christmas
- Paris Creek Farms (PCF) has won significant new business and will launch its PCF branded milk in approx. 400 Woolworths stores across VIC and NSW from March 22
- Group's operating cash flow improved by \$1.18m in Q1 FY22 vs Q1 FY21, even with large working capital payments in Q1 FY21
- MBH is on track to achieve its aspirational targets for FY22 of \$100m revenue and between \$13.5-\$15.5m of trading EBITDA

\* Pro-forma results include unaudited HGA results prior to the acquisition on 21/05/2021



# Key Q1 FY22 Group financial takeaways

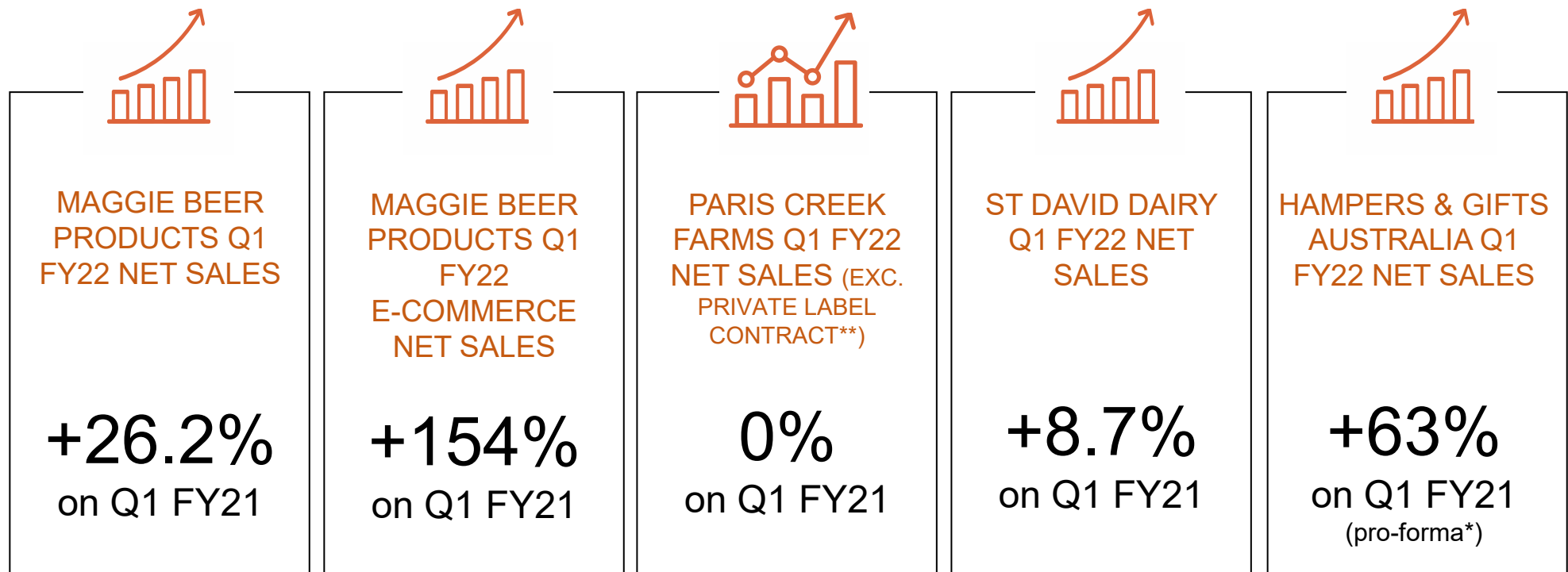
Strong financial performance across all key metrics



\* Pro-forma results include unaudited HGA results prior to the acquisition on 21/05/2021

# A strong start to FY22 across the Group

All four brands performing strongly



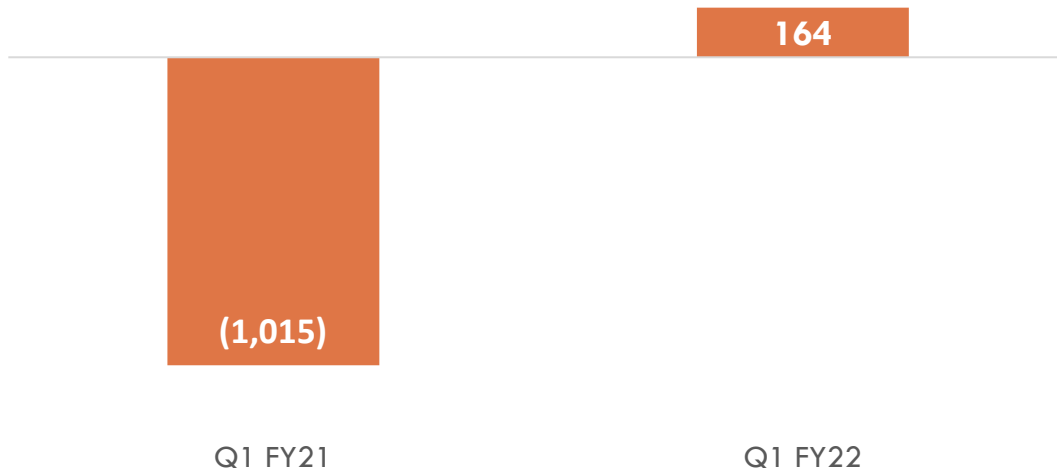
\* Pro-forma results include unaudited HGA results prior to the acquisition on 21/05/2021

\*\* Excluding private label contract discontinued in March 21 from Q1 FY21 net sales



# Strong & improving cashflow in Q1 FY22

## Operating Cash Flows (\$'000)



- Operating cashflow for Q1 FY22 improved by \$1.18m compared to Q1 FY21
- This improvement is after large volumes of inventory purchases in Q1 FY22 in preparation for the Christmas trading period
- Higher sales over the busy Christmas period will further strengthen the operating cashflows and cash balance in Q2 FY22.



# Maggie Beer Products





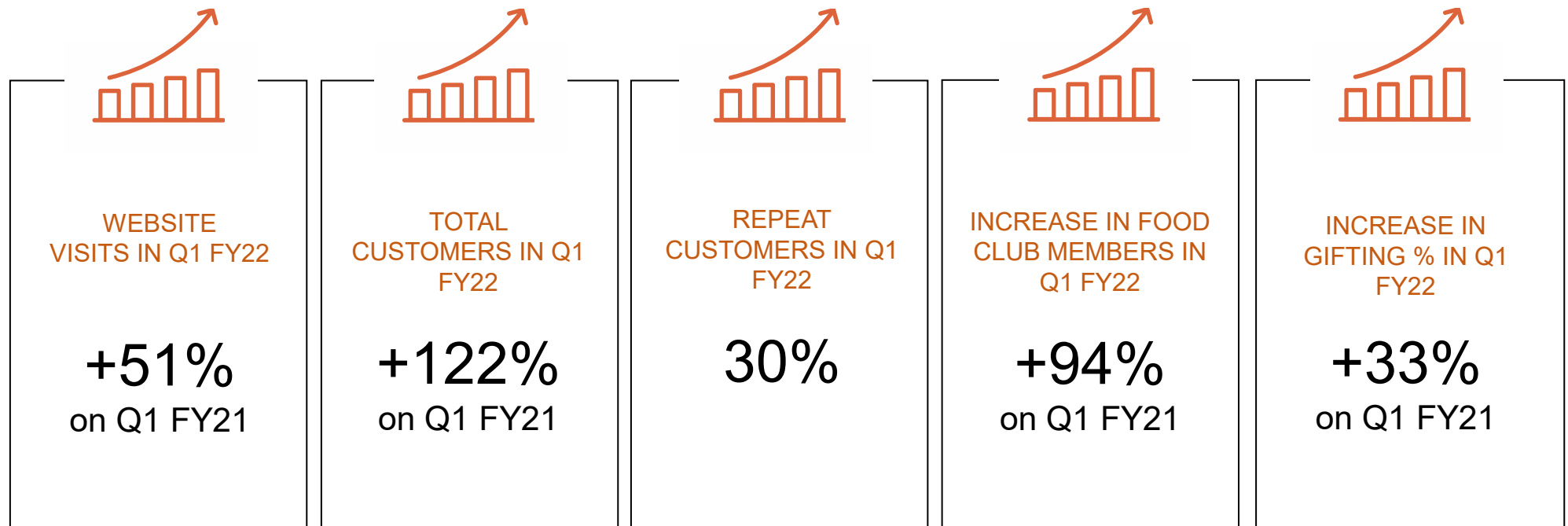
# MBP's net sales increase 26% in Q1 FY22 vs Q1 FY21

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- The integration of HGA and MBH has been successful with MBP's e-commerce net sales growing by 154% in Q1 FY22 vs Q1 FY21
- MBP's newly curated every-day hamper range launched in September 21 and new Christmas hamper range launched October 21
- Exciting new photography and videography have been completed for use in the Christmas catalogue, social media and Electronic Direct Mail (EDMs)
- Multiple delivery options have been arranged to ensure a great customer experience and orders delivered right up until Christmas
- Retail grocery net sales are up 21.3% in Q1 FY22 over Q1 FY21
- New range of Bone Broths launched strongly in September 21 and the new Finishing Sauces are now fully ranged and expected to sell in well over Christmas
- Retail grocery sales were impacted by Covid-19 at the end of Q1 FY22 with continued lockdowns and retail grocery and distribution centre staff being in isolation across NSW and VIC
- Core ranges of cheese, fruit paste and pate sales expected to increase with lockdowns easing & entertaining increasing
- Marketing strategy on track with TVCs launching on free to air and on demand channels between now and Christmas for core entertaining lines, Bone Broths and Finishing Sauces
- Full digital marketing plan in place, to push e-commerce and our retail grocery core lines



# Growth drivers for MBP e-commerce in Q1 FY22





# New hamper range and imagery growing sales





# Hampers & Gifts Australia





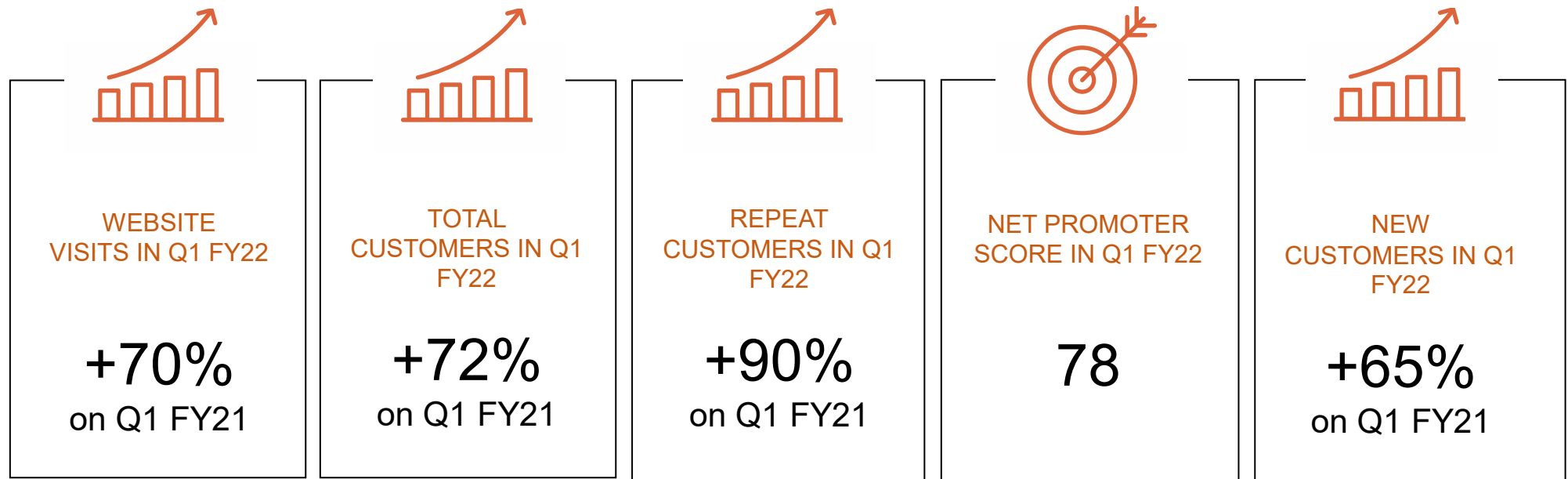
# HGA has an excellent start to FY22 with 63% net sales growth in Q1 FY22 vs Q1 FY21

## HGA and MBP's collaboration accelerating growth

- HGA launched 43 updated every-day hampers in September 21, containing selected MBP products
- Launched 13 new baby hampers in September 21
- Launched its new Christmas hamper range in October 21, containing MBP products and exclusive new products developed with MBP
- Its new Customer Data Platform and personalisation tools are delivering growth by increasing shopping frequency and repeat purchases
- Beautiful new photography and videography completed for use in Christmas catalogue, social media and EDMs
- Multiple delivery options have been arranged to ensure a great customer experience and orders delivered right up until Christmas
- Stock levels have been built, with buffer allowed, ready for the busy Christmas trading period
- The business has expanded its warehouse space and is operationally optimised for the busy Christmas trading period

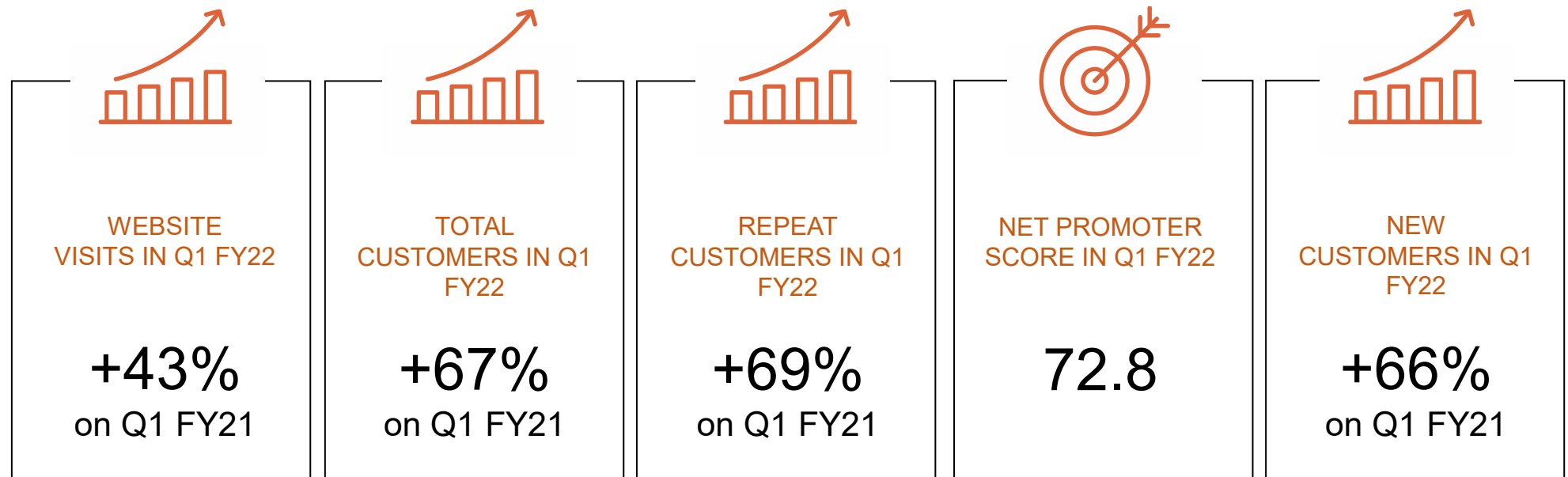


# Growth drivers for The Hamper Emporium Q1 FY22





# Growth drivers for Gifts Australia Q1 FY22



# Increasing sales with HGA's new hamper range, videography and imagery





# Paris Creek Farms

  
**Paris Creek Farms**  
ORGANIC DAIRY





# A solid start to the year as the portfolio grows its branded business

- PCF partnering with Woolworths to launch 3 of its 2-litre milk SKUs in approx. 400 stores in VIC & NSW from March 22 under the PCF brand.
- This new ranging will be PCF's biggest launch outside of SA. Supported by a comprehensive marketing plan, it will sustainably grow PCF's brand awareness across the eastern states.
- This new business will add approx. 3 million litres of extra milk volume through PCF's facility which will improve overhead recoveries and operational efficiencies.
- Net sales in Q1 FY22 were flat when comparing to Q1 FY21, excluding the private label business discontinued in March 21 from Q1 FY21's results.
- The new Greek Style Yogurts launched into Woolworths and Coles SA and nationally in independent supermarkets at the end of June 21 are selling well and growing our yogurt net sales by 25.6% in Q1 FY22 vs Q1 FY21.
- PCF also launched its new Greek Style Yogurts in 26 Woolworths premium stores in NSW at the end of August 21 and will launch into a further 23 stores in NSW in Q2 FY22.
- Working with our farmers to achieve carbon neutral dairies in FY22
- The business will activate its milk pool to increase milk volumes for new business from March 22
- New product development in milk and yoghurt to be presented to retailers in Q2 FY22





# St David Dairy



# SDD's resilience & brand strength continues in Q1 FY22

Brand strength and customer loyalty ensured continued growth in Q1 FY22

- Business continued to trade solidly in Q1 FY22 despite VIC's continued lockdown, with 8.7% growth in net sales compared to Q1 FY21
- Business has seen sales increase to its NSW and VIC customers with recent easing of Covid-19 restrictions in VIC and NSW
- SDD continues to be profitable and cash flow positive in Q1 FY22
- No loss was made on the sale of excess milk in Q1 FY22 and no loss is expected for the remainder of FY22
- The business is looking forward to a clear trading run between now and the end of the financial year, further Covid-19 restrictions permitting
- Launch of its new flavoured yoghurts into retail delayed until January 22, due to late easing of Covid-19 restrictions



The business is seeing increased sales in VIC and NSW as cafes and restaurants re-open after the easing of COVID- 19 restrictions



# Staff Wellbeing

## Covid-19 update

- All our people were kept safe and well & in accordance with our Covid-19 safe plans and health authority mandates
- We support full vaccination of employees in our businesses
- All staff at SDD and HGA are vaccinated in line with government mandates
- All staff at MBP and PCF are in the process of becoming fully vaccinated
- All members of the MBH Board are fully vaccinated
- MBH has in place an Employee Assistance Program for all employees to access in times of need and actively promotes its use
- The Covid-19 pandemic continued to cause disruption in Q1 FY22 with lockdowns impacting all four businesses to varying degrees
- As a food & beverage and e-commerce group, all four businesses continued to trade during lockdown scenarios



# Environmental, Social & Governance

- The Company is currently undertaking a review of all its Environmental, Social and Governance (ESG) charters and policies to ensure they reflect the Company's core values which include creating an inclusive, diversified culture and being community & sustainability focussed.
- In reviewing and updating its ESG charters and policies, the Company is engaging with key stakeholders, including its staff and directors, to seek to identify the ESG factors and metrics that are material to the Company achieving its core strategy and to integrate these factors into the way we operate on an everyday basis.
- The Company will also look to put into place policies and processes to achieve and maintain strong ESG performance, including measuring and reporting the results of our ESG initiatives. The Group already does some great things and is looking forward to sharing these with our shareholders and the wider community.





# A clear pathway to delivering sustained growth & shareholder value

- MBH has a clear path to sustained earnings and revenue growth, with four premium brands that remain on-trend and continue to resonate with Australian & international consumers
- Having successfully integrated HGA, the Group now has a large e-commerce business, national retail grocery channel & key exports markets, that allow us to leverage our premium brands and accelerate growth
- The Group has ambitious growth plans with a clear plan to achieve sustained double-digit growth in net sales and earnings with four key initiatives:
  - Growing our e-commerce business with the combined fire-power of Hampers & Gifts Australia and Maggie Beer Products
  - Increased ranging in Australian and export markets for its core Maggie Beer Products range
  - New product development and product launches
  - Upweighted investment in marketing and advertising to increase brand awareness, improve conversion and build loyalty
- Strong balance sheet, with \$13m cash (as at 30 September 21) and \$3m in undrawn debt facilities to support expected growth

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